


*Twenty-Seventh
Annual Report*

NEW CALUMET MINES
LIMITED

(No Personal Liability)



*For the Year Ended
September 30th, 1969*



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NEW CALUMET MINES LIMITED

(No Personal Liability)

Head Office

Room 1606, 507 Place d'Armes, Montreal, Quebec

Executive Office

360 Bay Street, Toronto, Ontario

Mine Office

Calumet Island P.O., Quebec

OFFICERS

C. J. CUNNINGHAM-DUNLOP
President

G. R. CUNNINGHAM-DUNLOP
Vice-President

CHARLES C. D. PRINGLE
Secretary-Treasurer

DIRECTORS

C. J. Cunningham-Dunlop, P.Eng., Weston, Ontario
G. R. Cunningham-Dunlop, P.Eng., Haileybury, Ontario
J. David Hackett, Q.C., Montreal, Quebec
D. D. Thomson, B.Comm., Montreal, Quebec

Transfer Agent and Registrar

CANADA PERMANENT TRUST COMPANY

625 Dorchester Blvd. West
Montreal

1901 Yonge Street
Toronto

400 Burrard Street
Vancouver

Auditors

ALLEN, MILES, FOX & JOHNSTON
Toronto

Bankers

CANADIAN IMPERIAL BANK OF COMMERCE
THE BANK OF NOVA SCOTIA

NEW CALUMET MINES LIMITED

(No Personal Liability)

Report of the Directors

To the Shareholders,

NEW CALUMET MINES LIMITED.

(No Personal Liability)

Your Directors submit herewith the Twenty-Seventh Annual Report of your Company, covering the year ended September 30, 1969, together with the Financial Statements for the year, the Auditors' Report thereon, its supporting documents and the Report of the General Superintendent.

Production at the Calumet Island, Quebec, mine was terminated on October 31, 1968. There remains about one year's ore in the mine, which, at current prices and operating costs, has sufficient metal content for profitable extraction under normal mining conditions. However, these reserves are contained in pillars and sills, and are so scattered throughout the mine that it was necessary to operate four shafts to maintain an adequate daily mill tonnage. Extensive ground support measures were becoming necessary. Under these circumstances, profitable operation could not have been continued.

It is entirely possible that more ore can be found within reach of the existing workings, and the possibilities of finding another orebody in the vicinity have not been eliminated. Therefore, the property is still an excellent prospect, and your Directors are seeking to interest other groups in a joint venture to carry on further exploration, using the new more sophisticated geophysical techniques, or by means of a deep drilling program. In this way your Company would sustain less risk, while, at the same time, retaining a substantial interest.

The plant and equipment has been catalogued and the total evaluation was in excess of \$1,000,000. A well regarded mining equipment company was appointed sales agent, and to date \$271,256.45 has been received by your Company from sales of equipment, salvage and stores items, after deduction of the agent's commission. It is probable that not all of the equipment is quickly saleable.

This year, with the closing of the mine and the sale of completely depreciated equipment, your Directors, acting on the advice of the Auditors, deem it advisable to record all possible write-offs relating to the termination of mining operations. Hence, you will see in Note 6 of Notes to the Financial Statements, Extraordinary Items totalling \$1,244,153. These include the following:

1. The mine property at Calumet Island, Quebec, has been written down from \$970,084 to \$1.00, since it is impossible to determine its present value.
2. The difference of \$86,875 between the cost of salvaging valuable material from underground and the sales to date of such material has been written off.
3. Stores items have been written down by an amount of \$82,909 to \$25,000.
4. The \$157,808 gain on the sales to date of capitalized buildings, machinery and equipment has been credited to the extraordinary write-offs.

The mine plant and equipment has been depreciated to nil. The \$2,206 undepreciated amount retained on the Balance Sheet relates to head office equipment. It is reasonable to expect at least \$300,000 from further sales.

5. Investment in and advances to Grand Calumet Mining Company Limited, totalling \$262,094 have been written down to \$1.00. Grand Calumet owns mining claims adjoining your Calumet Island property, and it is impossible to determine their value.

The operating loss of \$162,958, before gain on sale of securities, interest, dividends and outside exploration write-offs, includes non-recurring costs incurred during the three-month closure and salvage period such as heating, supervision, accounting and workmen's compensation payments. The total administrative and general expense, property taxes, insurance, manager's salary, etc., are currently less than \$10,000 per month.

The actual cash flow is shown by the Statement of Source and Application of Funds, which shows a decrease in working capital of \$307,589, of which \$179,741 was the investment in Sundance Oil Company. Working capital at the Fiscal Year-end was \$952,471.

Outside exploration continued in the Gaspé region of Quebec, and some limited work was done on two properties in the Timmins Area of Ontario.

The optioned claims in Boisbuisson Township, Gaspé, were further tested with an induced polarization survey. A promising anomaly resulting from the survey was checked with one diamond drill hole. The results of the drilling were negative and the option on the claims was dropped. No work was done during the year on 50 claims remaining in Deslandes Township, Gaspé, held by Teta-gouche Exploration Company Limited. No immediate work is planned, although the property does contain a showing of sulphides which perhaps has not been adequately tested on its western extension.

A 28-claim property under option in Mann Township, Timmins Area, Ontario, was investigated with geophysical equipment and by prospecting. The known conductor on the property was extended, but further work disclosed a graphitic shear zone, instead of sulphides. The option was relinquished.

Your Company's 12 claims in Tully Township, Timmins Area, were covered by magnetic and electromagnetic surveys in 1968. Weakly anomalous conditions were found which do not justify drilling at the present time. However, these claims, together with your properties in Gowan and Prosser Townships, are in the near vicinity of a gold discovery in Tully Township. It is understood that the gold property, being drilled by one of the major mining companies, is beginning to show mine-making probabilities. It may be possible to interest other groups in doing further work on your properties.

During the year, your Company took advantage of an opportunity to invest \$166,668 U.S. in a unit offered by Sundance Oil Company, Denver, Colorado, consisting of a \$100,000 convertible debenture and 4,762 shares of stock. Sundance produces oil and gas from several Western States and holds promising silver properties in Colorado, as well as uranium properties in Utah. Its success ratio in the discovery of oil and gas has been high. Work on its silver properties has been reduced in recent months in order to divert working capital to the completion of wells. Recent advice from Sundance is to the effect that oil exploration has met with excellent results and the rate of cash income has increased dramatically.

The efforts and loyal support of your staff throughout the year are greatly appreciated.

On Behalf of the Board,

C. J. CUNNINGHAM-DUNLOP,

President.

Toronto, Ontario,
December 9, 1969.

NEW CALUMET MINES LIMITED

(No Personal Liability)

RÉSUMÉ OF OUTSIDE PROPERTIES

Following is a summary of the work done and the status of the properties in which New Calumet participates, outside of the mine property on Calumet Island, Quebec.

A. WHOLLY-OWNED MINING CLAIMS

Gowan, Prosser and Tully Townships, Ontario: The Company owns a 160 acre half-lot in Gowan Township, a 75% interest in a 160 acre half-lot in Prosser Township and 12 claims in Tully Township. These are contiguous townships in the Timimns Area, Ontario, and the ground was acquired following the Texas Gulf Sulphur discovery in Kidd Township. All of the ground has been covered by electromagnetic and magnetic surveys and some diamond drilling. The two half-lots can be retained indefinitely at nominal cost. Assessment work will soon be due on the 12 claims. This year, a gold discovery was made by a major mining company in the southwest part of Tully Township. It is understood that the discovery is still being diamond drilled and appears to have mine-making potential. New Calumet's properties lie about one mile northwest, one-half mile to the south and three miles to the east of the discovery.

B. JOINTLY-OWNED MINING CLAIMS

Daniel Township, Quebec: This is known as the Bosada property and is comprised of fifty claims located midway between Mattagami Lake Mines and New Hosco Mines. New Calumet owns a 71.4% interest, Osisko Lake Mine owns a 16.5% interest and Consolidated Professor Mines owns a 9.6% interest. From 1958 to 1964, the claims were subjected to geophysics and diamond drilling, some by Phelps Dodge Corporation who held the claims under option for a time. Significant zinc values were obtained in some of the drill holes. Some areas of the property have been only partially explored to date. No work was done this year.

C. MINING CLAIMS UNDER OPTION

Pelham Gold Mines Limited, Kenora Mining Division, Ontario: New Calumet holds under option the seventeen patented claims of this Company near Washiebemaga Lake, southeast of Dryden. Numerous small but high-grade gold showings are present on the property. Your Company did some surface prospecting in 1964 and it was proposed to carry out detailed geological mapping and possibly diamond drilling. This work has not yet been done.

D. SUBSIDIARY MINING COMPANIES

Tetagouche Exploration Company Limited: New Calumet owns 72.3% of the issued shares of this Company, and Belcher Mining Corporation Limited owns the remaining 27.7%.

Tetagouche has holdings in the Bathurst Area of New Brunswick and in the Gaspé Area of Quebec.

The Bathurst Area holdings are twenty claims containing a narrow, but persistent, ore grade zinc-lead-copper-silver-gold deposit. The occurrence has been extensively tested by diamond drilling and metallurgical work, and a reappraisal has been recommended in view of the smelter now in the area and current metal prices. No work was done on the property this year.

The Gaspé holdings consist of 50 claims in Deslandes Township (remaining out of an original group of 95 claims). The group is owned 95% by Tetagouche and 5% by the staker. The claims cover an extensive length of the east contact of the Tabletop granite intrusive. A feature of this intrusive is an aureole of alteration at least half a mile wide, in the surrounding sediments and volcanics. Copper mineralization commonly occurs in fracture zones within the aureole, including the Madeleine orebody. Prospecting, soil sampling, airborne geophysics and induced polarization surveys over a three-year period resulted in the discovery of massive sulphides of lead, zinc, copper and silver in a strong persistent fracture zone, marked by intensive I.P. and geochemical anomalies. The zone is at least 3,200 feet long. In the fall of 1967, the zone was tested with 6 diamond drill holes. Only low values in lead, zinc, copper and silver were intersected, the mineralization being mostly pyrite. However, it is thought that the zone may not have been intersected where it cuts the most favourable rock type, nor close enough to the granite contact. Consideration is being given to further drilling.

E. ASSOCIATED MINING COMPANIES

1. Consolidated Professor Mines Limited: New Calumet owns 7.8% of the issued shares of this Company which holds a large block of ground adjoining the south boundary of the Glen Lake-Hiho Silver interests in the Cobalt Area. Surface and underground work has resulted in the discovery of many small silver-bearing veins. The results of the exploration work on the neighbouring property are being followed closely, particularly with respect to the lower diabase contact. This contact has not yet been investigated on the Professor ground, but Hiho has obtained fine silver ore from this horizon, not far from the Professor north boundary.
2. Beauchastel Copper Mines Limited: New Calumet holds 11.2% of the issued shares of this Company which owns a 563-acre property in the Noranda Area, Quebec. The property lies at the common corner of Beauchastel, Rouyn, Dufresnoy and Duprat Townships. It is underlain by the Amulet series of volcanic rocks, in which the known orebodies of the Waite Amulet and Lake Dufault Mines occurred. The favourable horizon on the Beauchastel Copper property lies below 1,500 feet in depth. Several surface showings of copper have received considerable attention in the past, and two small orebodies have been outlined. The claims have sufficient assessment work credits to allow their retention for many years. Further work is warranted, but due to the depth of the favourable horizon, considerable finances are necessary. The directors of Beauchastel will continue to try to interest large mining companies in the property.

NEW CALUMET MINES LIMITED

(No Personal Liability)

Report of the General Superintendent

The President and Directors,
NEW CALUMET MINES LIMITED,
(No Personal Liability)
TORONTO, Ontario.

Gentlemen:

I submit herewith a report of the operations at your mine for the Fiscal Year, October 1, 1968 to September 30, 1969.

The mill operated for 26 days in October with the final clean up of crusher and mill bins taking place on November 1st and 2nd. The mill processed 7,440 tons of ore during this period for an average of 265.7 tons per day. The final shipment of concentrates was made on November 7, 1968.

No development work and no underground or surface diamond drilling was done during the year.

Mining continued on a limited scale throughout October with 5,317 tons of ore being broken and 7,191 tons removed from the stopes. A total of 7,424 tons of ore was hoisted, the last of the ore being brought to the surface on October 31st.

All salvable machinery and equipment was removed from the mine by January 10th, the shafts were then stripped of pipe and electric cable and were finally sealed with concrete on January 23rd.

SUMMARY OF DEVELOPMENT

	Total to September 30, 1969
Shaft Sinking	5,345.9 ft.
Stations, Sumps and Development Slashing	1,146,485 cu. ft.
Drifting, Crosscutting and Raising	103,005 ft.
Diamond Drilling, Surface	179,722 ft.
Diamond Drilling, Underground	489,438 ft.

ORE RESERVES

- The ore reserves are mostly contained in stope and shaft pillars and level floors. These are scattered throughout the mine and would require an excessive amount of labour to recover if an adequate daily mill tonnage were to be maintained.

	<u>Tonnage</u>	<u>Zinc Percent</u>	<u>Lead Percent</u>	<u>Gold ozs./ ton</u>	<u>Silver ozs./ ton</u>
Unstoped Ore	7,890	6.35	1.79	.008	3.22
Unstoped Ore plus 10% Dilution	8,679	5.77	1.63	.008	2.96
Stope Pillars and Sills	70,356	8.19	2.59	.019	4.38
Broken Ore	4,220	4.20	1.33	.008	2.65
Total	<u>83,255</u>	<u>7.73</u>	<u>1.61</u>	<u>.017</u>	<u>4.14</u>

- Low grade Ore which might be profitable to mine with considerably higher prices for lead and zinc than those now prevailing:

	<u>Tonnage</u>	<u>Zinc Percent</u>	<u>Lead Percent</u>	<u>Gold ozs./ ton</u>	<u>Silver ozs./ ton</u>
	199,000	3.16	.86	.013	1.59

SUMMARY OF MILLING

The metallurgical and production figures for the Fiscal Year were as follows:

	<u>Tonnage</u>	<u>Zinc Percent</u>	<u>Lead Percent</u>	<u>Gold ozs./ ton</u>	<u>Silver ozs./ ton</u>
Ore Treated	7,440.0	6.86	2.11	.023	4.25
Zinc Concentrate	935.57	51.77	.50	.009	3.05
Lead Concentrate	251.38	6.42	57.42	.529	95.29
Recovery (Percent)	—	94.9	91.7	77.0	75.6

SUMMARY OF PRODUCTION

- Tonnage and Grade Milled

	<u>Tonnage</u>	<u>Zinc Percent</u>	<u>Lead Percent</u>	<u>Gold ozs./ ton</u>	<u>Silver ozs./ ton</u>
1944-1968	3,736,345	6.06	1.70	.0191	3.63
1969	7,440	6.86	2.11	.023	4.25
Total	<u>3,743,785</u>	<u>6.06</u>	<u>1.70</u>	<u>.0191</u>	<u>3.63</u>

-

	<u>Tons Broken</u>	<u>Tons Removed</u>	<u>Tons Hoisted</u>
No. 1 Shaft Stopes	1,735	2,446	2,446
No. 3 Shaft Stopes	1,557	2,160	2,160
No. 4 Shaft Stopes	1,374	1,632	1,632
No. 5 Shaft Stopes	651	953	953
Total	<u>5,317</u>	<u>7,191</u>	<u>7,191</u>

3. Metal Produced

From actual smelter settlements, in concentrate form, not refined metals:

	<u>Zinc Pounds</u>	<u>Lead Pounds</u>	<u>Gold Ounces</u>	<u>Silver Ounces</u>	<u>Copper Pounds</u>
1944-1968	441,600,648.5	124,283,581.3	54,127.10	10,319,888.22	5,442,003.9
1969	896,241.2	329,821.5	143.24	26,790.49	13,556.3
Total	<u>442,496,889.7</u>	<u>124,613,402.8</u>	<u>54,270.34</u>	<u>10,346,678.71</u>	<u>5,455,660.2</u>

Note: Since there was always a lag of up to six months in smelter settlements, the figures for Metal Produced cannot be reconciled with the tons of concentrate and grades shown in Summary of Milling. The figures for Metal Produced include plus or minus adjustments on shipments made to the smelters in the Fiscal Year ended September 30, 1968. This was further complicated by a prolonged strike at the lead smelter.

PLANT AND EQUIPMENT

Two temporary buildings have been erected for the storage of certain of the machinery and equipment removed from underground. Other equipment was stored in existing buildings.

Respectfully submitted,

NEW CALUMET MINES LIMITED
(No Personal Liability)

J. D. TURNER
General Superintendent

Calumet Island, Quebec.
November 20, 1969.

NEW CALUMET MINES LIMITED

(No Personal Liability)

AUDITORS' REPORT

To the Shareholders of

New Calumet Mines Limited (No Personal Liability)

We have examined the balance sheet of New Calumet Mines Limited (No Personal Liability) as at September 30, 1969 and the statements of operations, deficit and source and application of funds for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, these financial statements are properly drawn up so as to exhibit a true and correct view of the state of affairs of the company as at September 30, 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ALLEN, MILES, FOX & JOHNSTON,

Chartered Accountants.

Toronto, Canada
November 6, 1969

NEW CALUMET

(No Person)

Incorporated under the

Balance Sheet as

(with comparative figures)

ASSETS

	1969	1968
Current Assets		
Cash and short term deposits	\$ 745,612	\$ 708,333
Accounts receivable	25,195	15,307
Estimated metal settlements receivable	—	325,239
Marketable securities — at cost	167,780	139,364
(Quoted market value 1969 — \$137,894; 1968 — \$103,146)		
Inventory of supplies — at estimated realizable value (1968 at cost) . .	25,000	141,252
Prepaid expense	3,937	9,966
	<u>967,524</u>	<u>1,339,461</u>
Fixed Assets		
Buildings, machinery and equipment — at cost	1,784,947	2,309,338
Less accumulated depreciation	1,782,741	2,257,907
	<u>2,206</u>	<u>51,431</u>
Mining properties — at nominal value (1968 at cost)	1	970,084
	<u>2,207</u>	<u>1,021,515</u>
Other Assets and Deferred Charges		
Investments in and advances to subsidiary exploration companies (note 1)		
Shareholdings — at cost less amounts written off	90,848	312,143
Advances and exploration expenditures	—	40,672
	<u>90,848</u>	<u>352,815</u>
Investments in other mining and oil companies — at cost (note 2) . . .	276,866	97,125
Deferred outside exploration expenditures (note 3)		
Joint venture — Quebec	\$ 83,562	
Joint venture — Ontario	5,590	
Prospecting and staking costs — Quebec	20,695	
Prospecting and staking costs — Ontario	27,705	
	<u>137,552</u>	<u>164,817</u>
Deferred repair costs less amounts written off	—	1,187
Deposits	425	425
	<u>505,691</u>	<u>616,369</u>
	<u>\$1,475,422</u>	<u>\$2,977,345</u>

INES LIMITED

(Incorporated in the Province of Quebec)

at September 30, 1968)

September 30, 1969

at September 30, 1968)

LIABILITIES

	1969	1968
Current Liabilities		
Wages payable	\$ —	\$ 20,554
Accounts payable and accrued liabilities	13,398	43,264
Miscellaneous taxes	1,655	15,583
	<u>15,053</u>	<u>79,401</u>

SHAREHOLDERS' EQUITY

Capital Stock		
Authorized — 7,000,000 shares of the par value of \$1.00 each		
Issued — 4,983,656 shares (note 4)	4,983,656	4,983,656
Less discount on shares issued	3,253,421	3,253,421
	<u>1,730,235</u>	<u>1,730,235</u>
Deficit (earned surplus in 1968)	(269,866)	1,167,709
	<u>1,460,369</u>	<u>2,897,944</u>

Approved on behalf of the Board of Directors

C. J. Cunningham-Dunlop, Director.

D. D. Thomson, Director.

<u>\$1,475,422</u>	<u>\$2,977,345</u>
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NEW CALUMET MINES LIMITED

(No Personal Liability)

NOTES TO THE FINANCIAL STATEMENTS

September 30, 1969

1. The subsidiary exploration companies, the company's investment in which is carried at \$90,848, are still in the exploration stage. Consequently, it is impossible to determine, at the present time, if there will be any ultimate recovery of the company's investment therein.
2. Investments in other mining and oil companies include an investment of \$179,741 in Sundance Oil Company consisting of 4,762 shares and \$100,000 U.S. par value 7½% convertible debenture due February 1, 1979. The marketability of this investment is restricted, at the present time, as the securities have not been registered for trading. The quoted market value of Sundance Oil Company shares was \$12¾ U.S. per share at September 30, 1969.

The balance of the company's investments in other mining and oil companies, amounting to \$97,125, represents investments in shares of non-producing mining companies having no quoted market values.

3. The company follows the policy of deferring, in the accounts, outside exploration expenditures on projects which are still under consideration. Should any of these projects be discontinued in a future period, the accumulated costs thereon will be written off at that time.
4. The company has granted options on 46,500 shares of its capital stock to certain employees of the company and of an associated company at a price of 50 cents per share exercisable at any time until December 31, 1969.
5. Operating and administrative costs include mine office and supervision, miscellaneous operating and administrative and general expense relating to the period subsequent to the cessation of mining operations on October 31, 1968.

6. Extraordinary items comprise:	1969	1968
Amount written off cost of mining properties	\$ 970,083	\$ —
Mine shutdown expense less salvage proceeds	86,875	—
Stores inventory write-down	82,909	—
Gain on sales of buildings, machinery and equipment	(157,808)	—
Investment in and advances to subsidiary exploration company written off	262,094	—
Investment in another mining company written off	—	23,628
	<u>\$1,244,153</u>	<u>\$ 23,628</u>

7. The net loss for the year ended September 30, 1968 has been restated for comparative purposes by the inclusion, as an extraordinary item, of the investment in another mining company written off, amounting to \$23,628, which had previously been shown as a charge against earned surplus.
8. The aggregate direct remuneration paid or payable by the company to the directors and senior officers of the company was \$65,850 for the year ended September 30, 1969.

NEW CALUMET MINES LIMITED

(No Personal Liability)

STATEMENT OF OPERATIONS For the Year Ended September 30, 1969 (with comparative figures for 1968)

	1969	1968
Gross metal production		
Zinc	\$ 109,173	\$1,312,965
Lead	43,498	349,411
Gold	6,560	51,628
Silver	71,349	682,403
Copper	3,210	22,904
	<u>233,790</u>	<u>2,419,311</u>
Deduct		
Marketing charges	3,025	22,126
Treatment charges — zinc	51,284	561,822
— lead	6,906	56,483
Duty — zinc	5,693	67,940
— lead	2,322	24,717
Freight — zinc	9,488	101,858
— lead	7,627	84,018
	<u>86,345</u>	<u>918,964</u>
Net value of metal production	<u>147,445</u>	<u>1,500,347</u>
Operating and administrative costs (note 5)		
Development	—	30,835
Mining	53,942	730,046
Milling	15,131	197,975
Assaying	1,164	11,582
Hauling concentrates	3,020	37,436
Mine office and supervision	58,175	88,076
Miscellaneous operating expense	83,273	192,210
Administrative and general expense	93,917	87,183
Allowance for depreciation	1,781	21,589
Deferred development written off	—	128,015
	<u>310,403</u>	<u>1,524,947</u>
Loss before the undernoted items	<u>162,958</u>	<u>24,600</u>
Other income and (deductions)		
Gain on sale of marketable securities	7,210	6,103
Interest earned	49,418	14,119
Dividends received	5,627	7,930
Outside exploration written off	(92,719)	(18,197)
	<u>(30,464)</u>	<u>9,955</u>
Loss before extraordinary items	<u>193,422</u>	<u>14,645</u>
Extraordinary items (note 6)	<u>1,244,153</u>	<u>23,628</u>
Net loss for the year (note 7)	<u>\$1,437,575</u>	<u>\$ 38,273</u>

NEW CALUMET MINES LIMITED

(No Personal Liability)

STATEMENT OF DEFICIT For the Year Ended September 30, 1969 (with comparative figures for 1968)

	1969	1968
Earned surplus at beginning of year	\$1,167,709	\$1,205,982
Net loss for the year	1,437,575	38,273
Deficit at end of year (Earned surplus in 1968)	<u>\$ (269,866)</u>	<u>\$1,167,709</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS For the Year Ended September 30, 1969 (with comparative figures for 1968)

Source of Funds	1969	1968
From operations		
Net loss for the year	\$ —	\$ (38,273)
Depreciation, amortization and other charges (net) not involving an outlay of funds during the year	—	224,258
	<u>—</u>	<u>185,985</u>
Sales of buildings, machinery and equipment	205,471	—
	<u>205,471</u>	<u>185,985</u>
Application of Funds		
To operations		
Net loss for the year	1,437,575	—
Depreciation, amortization and other charges (net) not involving an outlay of funds during the year	(1,170,056)	—
	<u>267,519</u>	<u>—</u>
Purchase of office equipment	217	565
Advances to a subsidiary company	128	1,541
Investment in Sundance Oil Company	179,741	—
Purchase of additional shares of a subsidiary company	—	4,000
Deferred outside exploration expenditure	65,455	59,604
Deferred repair costs	—	6,139
	<u>513,060</u>	<u>71,849</u>
Increase (Decrease) in working capital	(307,589)	114,136
Working capital at beginning of year	1,260,060	1,145,924
Working capital at end of year	<u>\$ 952,471</u>	<u>\$1,260,060</u>

NEW CALUMET MINES LIMITED

(No Personal Liability)

STATEMENT OF MINE OFFICE AND SUPERVISION EXPENSE

For the Year Ended September 30, 1969

(with comparative figures for 1968)

	1969	1968
Management and office salaries and expense	\$ 39,863	\$ 51,855
Engineering salaries and expense	9,042	17,211
Warehouse salaries and expense	8,540	15,518
Stationery	190	1,338
Travelling	—	165
Telephone and telegraph	465	1,676
Stamps and bank charges	75	313
	<u>\$ 58,175</u>	<u>\$ 88,076</u>

STATEMENT OF MISCELLANEOUS OPERATING EXPENSE

For the Year Ended September 30, 1969

(with comparative figures for 1968)

	1969	1968
Fire protection	76	514
General surface expense	1,638	7,259
Dry house	1,570	16,402
Watchman and guard	2,251	10,482
Sundry	1,780	15,392
Heating	17,261	23,830
Lighting	148	1,299
Fire and other insurance	8,658	8,880
Workmen's compensation insurance	20,145	43,970
Unemployment insurance	1,794	7,363
Group insurance	6,223	14,316
Sales tax	290	4,248
Municipal taxes	14,613	11,373
Miscellaneous taxes	672	821
Retirement pension premiums	4,120	14,642
Quebec pension plan	2,034	11,528
Discount earned	—	(109)
	<u>\$ 83,273</u>	<u>\$ 192,210</u>

NEW CALUMET MINES LIMITED

(No Personal Liability)

INVESTMENTS AT SEPTEMBER 30, 1969

Marketable Securities	Par Value	Book Value	Quoted Market Value
Government of Canada 4¼ % bonds due September 1, 1972	\$ 3,000	\$ 2,767	\$ 2,724
	Number of Shares		
Alcan Aluminium Limited	500	17,550	14,625
Atlantic Coast Copper Corporation Limited	8,357	—	4,847
Combined Metal Mines Limited	58,500	22,138	10,823
Cominco Limited	500	16,972	15,375
Dunraine Mines Limited	7,000	6,983	2,450
Lake Dufault Mines Limited	2,000	29,002	16,500
Home Oil Company Limited Class B	200	5,420	7,750
Martin-McNeely Mines Limited	5,000	3,925	1,275
Noranda Mines Limited	600	15,354	19,800
Northgate Exploration Limited	1,000	18,262	15,250
Pine Point Mines Limited	300	16,820	11,100
Shell Canada Limited	500	12,587	15,375
		165,013	135,170
		<u>\$ 167,780</u>	<u>\$ 137,894</u>
Subsidiary Companies (No quoted market value)			
Tetagouche Exploration Limited	191,500	\$ 90,847	
Grand Calumet Mining Company Limited	1,200,000	1	
		<u>\$ 90,848</u>	
Other Mining and Oil Companies (note 2)			
Beauchastel Copper Mines Limited	112,500	\$ 11,480	
Cadieux Mines Limited	100,000	129	
Consolidated Professor Mines Limited	90,000	85,516	
Sundance Oil Company	4,762	71,897	
		169,022	
	Par Value		
Sundance Oil Company 7½ % convertible debenture due February 1, 1979	\$ 100,000 U.S.	107,844	
		<u>\$ 276,866</u>	



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NEW CALUMET MINES LIMITED

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AR12

NEW CALUMET MINES LIMITED

(No Personal Liability)

FOURTH QUARTER PROGRESS REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1969

To the Shareholders:

As of the end of September, \$271,256.45 have been received from the sale of machinery, equipment and buildings from your Company's property on Calumet Island, Quebec. Sales were somewhat lower during the summer vacation period, as expected, but have improved since.

The geophysical anomaly on the Boisbuisson Township claims under option in Gaspé, Quebec, was tested with one diamond drill hole in September. No mineralization of economic importance was found, even though the anomaly lies between two known showings of copper mineralization, and the consulting geophysicist estimated that it contained 20% sulphides. The option on this property has been dropped.

Your Directors are pursuing a policy of seeking properties of considerable merit, or participations with other well established resource companies in such properties. A number of submissions have been studied and a few are to be given further consideration.

During this present period of search, expenses are being kept to a minimum.

On Behalf of the Board,

Toronto, Ontario,
October 31, 1969.

C. J. CUNNINGHAM-DUNLOP,
President.

Condensed Unaudited Balance Sheet as at September 30, 1969

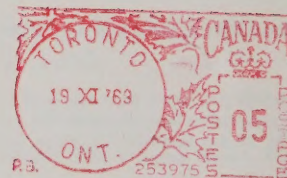
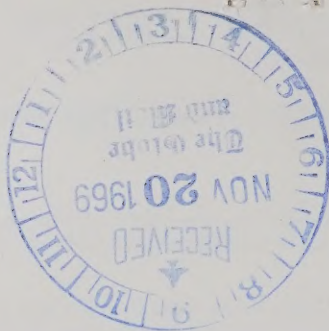
ASSETS			
Current:			
Cash in banks and short term deposits	\$	746,988.00	
Accounts receivable and accrued interest ..		14,037.87	
Investment in marketable securities (with a quoted market value of \$309,195.57) ..		347,521.82	
Refundable tax		(27.95)	
Inventory of supplies		112,089.82	
Prepaid expense		5,937.11	\$1,226,546.67
Fixed Assets			812,608.63
Other Assets			675,703.83
			<u>\$2,714,859.13</u>
LIABILITIES			
Current:			
Accounts payable	\$	12,108.94	
Capital and Earned Surplus:			
Capital Authorized: 7,000,000 shares of \$1			
Issued: 4,983,656 shares		\$4,983,656.00	
Less: Discount on shares issued		3,253,420.45	
		1,730,235.55	
Earned surplus to September 30, 1969		972,514.64	2,702,750.19
			<u>\$2,714,859.13</u>

Statement of Profit and Loss

for Year Ended September 30, 1969

(with comparative figures for the year ended September 30, 1968)

	1969	1968
Operating profit (loss) before deducting depreciation	\$ (304,667.67)	\$ 133,716.89
Deduct: Depreciation	1,786.20	21,285.46
Net operating profit (loss)	\$ (306,453.87)	\$ 112,431.43
Other income:		
Interest received	\$ 48,046.61	\$ 14,234.36
Dividends received	5,626.84	7,170.55
Profit on sale of securities	7,210.11	6,102.90
Salvage proceeds	50,376.11	—
	<u>\$ 111,259.67</u>	<u>\$ 27,507.81</u>
Profit (loss) before write-offs and taxes	\$ (195,194.20)	\$ 139,939.24
Deduct deferred development written off	—	127,070.78
Profit (loss) before taxes	<u>\$ (195,194.20)</u>	<u>\$ 12,868.46</u>



The Mining Editor,
The Globe and Mail,
King and York Streets,
Toronto, Ontario.

File

SECOND QUARTER PROGRESS REPORT FOR THE SIX MONTHS ENDED MARCH 31, 1970

To the Shareholders:

Sales of mine plant and equipment items have progressed reasonably well. Net receipts to date total \$358,394.

The reappraisal of the mine property at Calumet Island, Quebec, is proceeding in joint venture with another mining company. Compilation of all data for study is not yet complete, and there is nothing to report at this time.

Your Company owns a 50% interest in a group of 70 claims in the Sturgeon Lake Area of Ontario, 14 miles west of Mattagami Lake Mines' discovery of zinc-copper ore. Zenmac Metal Mines Limited owns the remaining 50% interest. These claims have now been covered by an airborne magnetic and input E.M. survey. The electromagnetic data indicates two long, parallel, discontinuous conductive trends which are apparently coincident with known structural features. In addition, there are at least three more separate conductive zones uncorrelated with known geological features and which are given high priority by your consultants. These could represent sulphide zones within the volcanic belt. It is planned that these will be checked by ground geophysics and geological examinations as soon as the snow has left the ground.

Your Company owns outright another group of 30 claims in the Sturgeon Lake Area, 19 miles west of the Mattagami Lake discovery. This group has also been flown with magnetic and input E.M. equipment. No anomalies of interest were found.

Negotiations are being carried on with the intention of obtaining a substantial interest in one or more properties with established reserves of ore. These negotiations have not reached an advanced stage.

On Behalf of the Board,

Toronto, Ontario,
April 7, 1970.

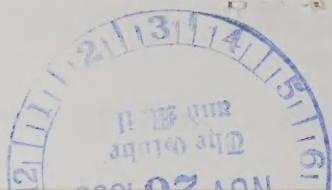
C. J. CUNNINGHAM-DUNOP,
President.

Condensed Unaudited Balance Sheet as at March 31, 1970

ASSETS			
Current:			
Cash in banks and short term deposits	\$	755,921.47	
Accounts receivable and accrued interest ..		34,672.00	
Investment in marketable securities (with a quoted market value of \$145,132.06)		167,780.80	
Investment in Sundance Oil Company		179,741.02	
Inventory of supplies		18,024.53	
Prepaid expenses		6,677.71	\$1,162,817.53
Fixed Assets			2,314.56
Other Assets			345,598.45
			<u>\$1,510,730.54</u>
LIABILITIES			
Current:			
Accounts payable	\$	2,183.58	
Capital and Earned Surplus:			
Capital Authorized: 7,000,000 shares of \$1			
Issued: 4,983,656 shares	\$4,983,656.00		
Less: Discount on shares issued	3,253,420.45		
		1,730,235.55	
Earned Surplus to Sept. 30, 1969	\$ (269,866.05)		
Profit (loss) for 6 months ending March 31, 1970	48,177.46	(221,688.59)	1,508,546.96
			<u>\$1,510,730.54</u>

Statement of Profit and Loss
for Six Months Ended March 31, 1970
(with comparative figures for March 31, 1969)

	1970	1969
Operating profit (loss) before deducting depreciation	\$ (68,733.65)	\$ (212,264.95)
Deduct: Depreciation	259.56	1,485.97
Net operating profit (loss)	<u>\$ (68,993.21)</u>	<u>\$ (213,750.92)</u>
Other Income:		
Interest received	\$ 30,373.18	\$ 19,805.64
Dividends received	3,443.99	2,932.00
Profit on sale of securities	8,984.65	3,869.27
Salvage proceeds	74,368.85	—
	<u>\$ 117,170.67</u>	<u>\$ 26,606.91</u>
Profit (loss) before write-offs and taxes	<u>\$ 48,177.46</u>	<u>\$ (187,144.01)</u>



The Mining Editor,
The Globe and Mail,
King and York Streets,
TORONTO, Ontario.

